

## **Durham Civic Center Authority Meeting Minutes**

Tuesday, October 16, 2007

8:00am

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The meeting was called to order at 8:00am with the following members present/absent:

Present: Patrick Byker, Robert Sinclair, Billy Ruffin and Rob VanDewoestine

Absent: (excused) George Stanziale, Al Bass

Owner's representation: Heidi York, Harmon Crutchfield, Karmisha Wallace, Sharon DeShazo, and Sheila Huggins

Management Company present: Ken Lile, Dave Messinger and Jamie Frydlo

Motion of approval for September 18, 2007 minutes moved by Patrick Byker, seconded by Billy Ruffin, voted and agreed upon by all.

### **Incomplete Action Items from September meeting**

- Mr. Messinger and Mr. Lynch to concur with Precision Air Walls to resolve their recommendation to repair the Ballroom air walls for \$90,000 or replace them for \$286,000. Mr. Messinger will begin the process by sending Mr. Lynch the repair quote. [Mr. Messinger in process of getting quotes to Micheal Lynch.](#)
- Mr. Stanziale will confirm the status of assistance from Kenan-Flagler on the Civic Center business plan and provide an update to the Authority. [Mr. Stanziale will meet with Kenan-Flagler professors next week.](#)
- What is the explanation behind why the gap was so wide with the Exhibit Hall? [The original quote of \\$403,500 is not recognized as a real number. Escalations in cost of materials through the years have driven up cost.](#)
- Request for General Services to provide the breakdown, final cost of the HVAC and verification of timeline to be able to suggest Shaner's participation. (Ms. Wallace is waiting on the scope for the HVAC and gave Mr. Lile the dollar amount for the HVAC). [Total current project and design cost was presented at the meeting; however design cost already spent was not included. A meeting with the CMAR is scheduled for October 17, 2007 to discuss and review construction documents and contract specification that spells out what is in the construction drawings.](#)
- Ms. DeShazo to provide feedback on the total cost of ADA and what that work includes? [Project cost provided on men and women's restrooms opposite the ballrooms and plaza upgrades – work to be performed in scope.](#)
- Air walls are not included in the PGMP; is there funding availability for Air Wall replacement vs. repair? [Airwalls are an add-alternate in current project funding. If bids come in lower than anticipated and funding is adequate, replacement of airwalls will be placed in the current project. Currently there is funding available to repair the airwalls at the said estimate of \\$90,000 through a budget carryover of funds unspent from 2006/07 budget.](#)
- Request to check through "unfunded list" (5.6m) for duplication in funded list. [There is no known duplication within the current and unfunded project list.](#)

- Questions directed to General Services via Micheal Lynch concerning the comparisons between the Skanska and Shaner proposals for the HVAC system upgrade at the Civic Center. [This item remains incomplete at this time and it is unlikely that General Services will have the time to complete this explanation \(per Nancy Mitchell's 9/24/07 email to Rob VanDewoestine\).](#)

### **Action Items from October meeting**

- Ms. York will propose a meeting to discuss Shaners contribution to the HVAC CIP project.
- Harmon Crutchfield, General Services to provide funding on scope of work for HVAC.
- What is the "mission statement" of the Civic Center, which would provide guidance in what we do? Ms. Wallace will look into the history of a mission statement in the original request for funds to build the Civic Center. Mr. VanDewoestine will check the Johnson consulting study to see if it stated a mission.
- Mr. Messinger will provide a CIP list to submit for discussion at the November meeting.
- Feedback from the Authority on the three-year business plan draft is anticipated for discussion at November's meeting. Management Company to include the Durham Civic Center in competitive analysis and add a projection for 2011.

### **Meeting Details**

Ms. DeShazo and Mr. Crutchfield gave a Capital Project update to the Authority.

- Total project and design costs for HVAC, ADA Upgrades and Exhibit Hall.
- Meeting set with senior project manager, CMAR, Management Company and City and County representatives to discuss phase of the project.
- Portions of the PGMP will be rebid in two weeks. An allowance for the rebid period is built into the schedule.
- CPI for Parking has been discussed with Shaner. Final numbers will be decided when October figures are in. Payments are scheduled to begin in January 2008 and underpayments will be paid completely over the course of time.
- The carryover request of \$114,422 is recommended for City Council approval on November 5, 200 for lobby tile and ballroom air walls repair.

*Membership Update:* Ms. York provided applicant information on a candidate to replace Angie Elkins, a County representative. Henry Sims meets the objective criteria of the Authority and was voted and approved by all. Ms. York will communicate this favorable vote to the County clerk.

### ***Management Report***

- September and October revenues came in better than forecasted. We are projected to surpass revenues and presently \$16,604 ahead of budget.

- Administrative and General expenses \$35k higher than anticipated due to aging of groups. There are a number of groups with remaining balances unpaid as of 9/30/07. Of the \$180,226.73 due over 90 days, we reserved \$78,798.64 for bad debt of which 50% is allocated to the owners. Full receipt of payments is anticipated on these events; however, a portion of all outstanding debt past 90 days is reserved. Payments will be posted against bad debt and will show as a huge gain in October actuals.
- Durham Marriott ranked ten in the East for Customer Satisfaction.

#### *Business Plan*

Mr. Frydlo presented for discussion a draft of the three-year business plan, which includes a mission statement, how the market is broken down, and a competitive analysis.

#### **Agenda for next meeting**

- Status of incomplete action items from September meeting and added October action items.
- Civic Center Scope of work
- Feedback from Authority on Business plan presented at October meeting
- Kenan-Flagler update